

BANK WG
6/3/2012

Info available on JPMorgan/chase..especially from SEIU..it would be great to get person who did this research for update

1. Crashing the Economy:

Role in subprime lending..some of worst subprime lending excesses..provided financing for 2 largest subprime lenders(Countrywide and Ameriquest),owned a major subprime lender (Chase home Finance) and acquired Washington Mutual and Bear Stearns. Together, these five firms issued over \$295.3 billion in subprime loans from 2005-2007.

Even after crisis JP is back to repackaging mortgage backed securities stuck on their books and selling them as new products.

Bailing out the Banks:

*accepted bailouts and backstops totaling \$94.7 billion, with taxpayers still on the hook for \$69.7 billion, plus an unknown amount from the Federal Reserve's \$8 trillion in emergency programs.

*Experts have speculated that JPMorgan Chase was exposed to as much as 40% of Bear's \$9 billion of toxic assets, and that Bear Stearns was in reality a lifeline to JPMorgan Chase. As part of the rescue, JPMorgan Chase purchased Bear Stearns at a fire sale price and got taxpayers to guarantee up to \$29 billion in losses.

*Despite large incentives from taxpayers, JPMorgan Chase has started trial mortgage modifications for only 25% of its 417,341 borrowers who are eligible for the Obama Administration's Making Home Affordable Program (and are at least 60 days past due

* Even in the midst of the crisis, JPMorgan Chase maintained \$1.48 billion in outstanding insider loans to bank directors and their companies - almost twice as much as the bank with the second highest volume of loans to insiders, Wachovia.

Lavish Spending

Back to Bonuses as Usual

- In 2008, JPMorgan Chase earned \$5.6 billion in income, and yet it awarded more than \$22.7 billion in total compensation, including almost \$8.7 billion in bonuses. With the bonus money alone, JPMorgan Chase could have given each of its bank tellers an estimated \$283,000 raise, nearly 13 times their median salary.
- To help pay for its executives' bloated compensation, JPMorgan Chase has made itself the beneficiary on \$11.1 billion in life insurance policies for its employees and former employees. The bank gets annual tax-free income from investments in the insurance contracts, helping to offset executive compensation expenses, and then receives another tax-free windfall when employees and former employees die.
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2. Profiting off of State and Local Government

- * Lending tax payers their own money even after taxpayer bailout.. get ultra cheap loans from Fed Reserve, lend it to state/local govt at high rate.. ege MBTA. Charges high fees to/if renegotiated
- * auction rate securities

3 Preying on Consumers

- * Bank fees: 71% first half of 2009 profits came from this
- * Credit Card abuses: not notifying when interest rates are changing, cancelling credit cards without warning
- * Reverse 'Red Lining'
- * bad on student loans.. bait and switch without warning, forbearance .. colleges have ended up not using JP. (not SEIU info)

4. Standing in way of reform

Lobbying against employee free choice act a priority

Opensecrets.org, JPMorgan Chase spent \$5.4 million on lobbying in 2008, and continued to lobby in the fourth quarter, even after receiving bailout funds. In the three quarters since the bailout, JPMorgan Chase has spent almost \$4.2 million lobbying on issues including the Consumer Overdraft Protection Fair Practices Act, the Mortgage Reform and Anti-Predatory Lending Act, the Credit Cardholders' Bill of Rights Act of 2009, the Helping Families Save Their Homes in Bankruptcy Act, the Derivatives Trading Integrity Act, the Compensation Fairness Act, and financial services regulation in general.

JPMorgan Chase continues to gouge communities by collecting on predatory interest rates from cities and states, has the largest number of foreclosed homes as of 2010, and has reduced small business lending by 75 percent after a government bailout designed to spur lending. New bottom line.org

JPMORGAN/CHASE-INFO

It looks to me that JPMorgan/Chase is on par with BofA in terms of misdeeds with a few **exceptions**.

1. It is heavily in the news these days just receiving subpoena and having to testify before congress. In Subpoena by Commodities Futures Trading Division, complements investigations from SEC and FBI

info is more personalized..eg Dimon's quotes("Giving debt relief to people that really need it, that's what foreclosure is." "Giving debt relief to people that really need it, that's what foreclosure is.")

note of name of lobbyist, People as with JP chief campaign contributor to Sen Tim Johnson chair of Sen Banking Committee where Dimon has been called to testify

2. State tax money is there

3. Fewer 'branches' so less visible

4. I think more heavily investment maybe to include govt bodies..eg MBTA

5. Shares are about \$25 vs \$7

6. Recent 2 billion loss of gambling..so big loss as opposed to BoA constant drip?

7. Bof A is also known for investment in coal industry

8. Evidence JP Morgan was extensively involved in buying 'packages' tax liens of home owners then charging them 16% interest to hold the lien / (using fed bailout bucks) to buy delinquent tax liens then foreclose on homeowners who couldn't pay them. Admitted rigging this process, sued in 33 states

9. On of top 3 involved in Refund Anticipation loans (similar to payday loans) take up to 20% of refund (where acc to Vanity Fair RAL can carry rates up to 700%)

10. Bank for Maduff made estimated \$481 million in after tax profits in 2008 alone. being sued by some victims..it pulled its own investments in Maduff in 2008 but neglected to report